

**STATE OF NEW JERSEY**

*Board of Public Utilities*

### *Two Gateway Center*

**Newark, NJ 07102**

## SERVICE EVALUATION

IN THE MATTER OF THE ATLANTIC  
CITY ELECTRIC COMPANY FOR  
APPROVAL OF THE SALE OF CERTAIN  
LAND AND PREMISES SITUATE IN  
THE TOWNSHIP OF PILESGROVE,  
COUNTY OF SALEM AND STATE OF  
NEW JERSEY

## ORDER

DOCKET NO. EM99080637

**BY THE BOARD:**

On August 19, 1999, Atlantic City Electric Company (“ACE”, “Petitioner”) filed with the Board of Public Utilities (“Board”) a petition seeking approval of the sale of 19.5 acres of land and premises in the Township of Pilesgrove, Salem County, New Jersey.

The Petitioner has indicated that the subject property was originally acquired in 1988 as vacant land for the purpose of constructing facilities to function as an operations center. Construction of the facilities was completed in February 1990. The property continued to serve as an operations center until March of 1995 at which time ACE implemented a plan of district consolidation that transferred the business operations to ACE's Glassboro facility. Subsequent to the March 1995 transfer of business operations, ACE utilized the facility as a meeting/conference location on an as needed basis. In August 1996 the property was designated to accommodate the Merger-Transition Team and associated pre-merger activities of ACE's parent company, Atlantic Energy, Inc. Since the approval of the merger, the property was dedicated to and has continued to serve as a location for housing internal and contracted employees conducting project work related to ACE's implementation of a central customer care center. The customer care center is now up-and-running and related project work was completed in October 1999. ACE

identified the property for sale through a post-merger analysis of real estate assets and has determined that the property is not now or prospectively useful for utility purposes. According to ACE, there is no relationship between the parties other than that of transferor and transferee.

The property identified as Block 11, Lot 3.01 on the Township of Pilesgrove tax map is being sold to Mr. Richard Pierson for \$1,050,000. The property was advertised for sale in The Gloucester County Times and Today's Sunbeam at a sale price of \$1,200,000. No bids were received. ACE subsequently received numerous inquiries from prospective purchasers as a result of an ad campaign which commenced in February 1999 and which targeted area brokers and developers. The Buyer's written offer represents the only bid received. The property has a book value of \$3,136,006, an assessed value of \$1,456,700 and has been appraised for \$775,000 and \$1,000,000.

In that the Petitioner made a good faith effort to comply with N.J.A.C. 14:1-5.6(b), the Board Staff is of the opinion that the manner in which the bid was secured meets the requirements of N.J.A.C. 14:1-5.6(b).

ACE will retain the right to maintain an existing microwave tower and appurtenances as well as easement rights in and to the property for future utility and communications infrastructure purposes.

The Division of Energy Staff has reviewed the proposed journal entry to record the sale of certain land and premises situate in the Township of Pilesgrove, County of Salem and State of New Jersey, to Richard E. Pierson, for \$1,050,000, and has found that it is in accordance with the Uniform System of Accounts prescribed for electric utilities.

The Ratepayer Advocate has also notified the Board that they do not object to the proposed sale. However, the Ratepayer Advocate wishes to reserve its right to examine the ratemaking and accounting treatment of the instant sale in ACE's next base rate case or other proceeding in which base rates are set.

After consideration of the petition filed in this matter, the Board FINDS that sale of said property by ACE is not contrary to the public interest, and HEREBY APPROVES the same. In addition, the Board APPROVES the journal entry to record the above noted transaction for accounting purposes only.

DATED: MARCH 16, 2000

BOARD OF PUBLIC UTILITIES  
BY:

SIGNED

HERBERT H. TATE  
PRESIDENT

ATTEST:

SIGNED

CARMEN J. ARMENTI  
COMMISSIONER

SIGNED

SIGNED

EDWARD BESLOW  
ACTING BOARD SECRETARY

FREDERICK F. BUTLER  
COMMISSIONER